

Message Text

PAGE 01 NATO 05117 251850Z

51

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 EB-11 COME-00 EURE-00 OMB-01 IO-14 SS-20 NSC-10

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P R 251400Z OCT 73

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 2323

SECDEF WASHDC PRIORITY

INFO USCINCEUR

CINCUSAREUR

DA

NSSG/US/CHIEVRES

UNCLAS USNATO 5117

E.O. 11652: N/A

TAGS: MCAP EFIN NATO

SUBJECT: STATUS OF INFRASTRUCTURE FUNDING

REFS: A. USNATO 5041, 221120Z OCT 73

B. STATE 207429, 191554Z OCT 73

1. IN RESPONSE TO REF B, FOLLOWING IS ADDITIONAL INFORMATION
SUPPLEMENTARY TO THAT PROVIDED IN REF A CONCERNING STATUS OF
INFRASTRUCTURE FUNDING AND EFFECT OF DEVALUATION. FIGURES REPORESNT
REFINEMENT OF PRELIMINARY ESTIMATES PROVIDED REF A.

2. TOTAL ESTIMATED UNLIQUIDATED OBLIGATIONS AS OF COB 17
OCTOBER 1973 WERE \$182,580,332.40. THIS IS ARRIVED AT AS FOLLOWS:

A. TOTAL UNLIQUIDATED OBLIGATIONS FROM

NATO DOCUMENTS AS OF 30 SEP 73 \$187,701,878.40

B. ESTIMATED ADDITIONAL OBLIGATIONS

INCURRED IN P&P COMMITTEE MTG 964,

11 OCT 73, RECORDED AT 3.04 \$/IAU \$413,610.00

UNCLASSIFIED

PAGE 02 NATO 05117 251850Z

C. ESTIMATED DISBURSEMENT MADE TO PAY

TURKEY IN ACCORDANCE WITH 4TH QTR

PAYSHEET -5,535,156.00

TOTAL \$182,580,332.40

3. ESTIMATED ADDITIONAL OBLIGATIONS TO BE INCURRED AS RESULT OF APPLYING CHANGED \$/IAU RATE TO UNLIQUIDATED OBLIGATION TOTAL \$16,056,697. IT SHOULD BE NOTED THAT IN ARRIVING AT THIS FIGURE ACCOUNT MUST BE TAKEN OF THOSE UNLIQUIDATED OBLIGATIONS INCLUDED IN PARA 2 WHICH WILL BE LIQUIDATED THROUGH DOLLAR DISBURSEMENTS AND THUS WILL BE UNAFFECTED BY DEVALUATION. THESE ARE:

A. DREUX-EVREUX RECOUPMENT NOT YET SUBMITTED FOR REPROGRAMMING	2,628,000
B. RELOCATION PAYMENTS DRAWN FROM NATO AND NOT YET DISBURSED TO COMPONENTS	36,156,000
C. UNADJUSTED OBLIGATIONS IN EXCESS OF PAYROLL FOR US PERSONNEL	83,062
D. EXCESS AUTHORIZATION GRANTED TO USAFINCISCOM FOR NADGE PAYMENTS	144,800

TOTAL \$39,011,862

DEDUCTION OF THIS AMOUNT FROM TOTAL UNLIQUIDATED OBLIGATIONS PARA 2 LEAVES A NET AMOUNT OF \$143,568,470. ADJUSTMENT TO NEW EXCHANGE RATE FOR THIS AMOUNT WILL REQUIRE ADDITIONAL OBLIGATION OF APPROXIMATELY \$16,056,697. ACTION WILL BE TAKEN BY NSSG TO OBLIGATE EXACT AMOUNT REQUIRED AS SOON AS FINAL NATO DOCUMENTATION ON MEETING 964 IS RECEIVED.

4. ESTIMATED ADDITIONAL OBLIGATION TO BE INCURRED AS A RESULT OF CHANGE IN \$/8AU RATE TO 3.38 FOR OBLIGATIONS TO BE INCURRED DURING REMAINDER OF FY 74 IS \$6,275,164. THIS IS ARRIVED AT AS FOLLOWS:

A. TOTAL ESTIMATED OBLIGATIONS FOR FY 74 AT 3.04:	
	\$70,423,020.
B. TOTAL ESTIMATED OBLIGATIONS INCURRED 1 JUL THRU 17 OCT AT 3.04:	\$14,314,610.
C. BALANCE TO BE INCURRED 18 OCT 73 THRU 30 JUN 74 AT 3.04:	
	\$56,108,410.
D. ADDITIONAL OBLIGATIONS TO BE INCURRED AS RESULT OF CHANGE TO 3.38:	\$6,275,164.

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PAGE 03 NATO 05117 251850Z

5. ADDITIONAL COSTS INCURRED AS RESULT OF DIFFERENCE BETWEEN OFFICIAL VALUE OF IAU AND MARKET RATE ENCOUNTERED IN EFFECTING ACTUAL PAYMENTS ARE AS FOLLOWS:

A. IN FY 73, AGAINST 3.04 \$/IAU	
1) 3RD QUARTER CY 72	\$ 44,700
2) 4TH QUARTER CY 72	---
3) 1ST QUARTER CY 73	142,900
4) 2ND QUARTER CY 73	116,700

TOTAL FY 73 \$ 304,300

B. IN FY 74 THRU 17 OCTOBER, AT 3.04 \$/IAU:	\$205,600
C. ESTIMATED AMOUNT FOR BALANCE OF FY 74:	\$6,490,100

IT SHOULD BE NOTED THAT IN ADDITION TO THESE LATTER COSTS, THE US MAY BE REQUIRED TO PAY AN ADDITIONAL UNDETERMINED AMOUNT TO CORRECT THE OVERALL COST SHARING INQUITIES WHICH HAVE BEEN INTRODUCED BY SHIFTING EXCHANGE RATES. AT SUCH TIME AS THE RESULTS OF THE CURRENT STUDY ON THIS SUBJECT WHICH IS UNDERWAY IN NATO ARE ACCEPTED AND APPROVED, WE MAY ANTICIPATE THAT A "BALANCING" PAYMENT MAY BE REQUESTED FROM THOSE NATIONS, SUCH AS THE US, WHO HAVE CONSISTENTLY MET THEIR COST SHARING OBLIGATIONS THROUGH PAYMENTS IN CURRENCIES WHICH HAVE NOT BEEN REVALUED VIS-A-VIS THE DOLLAR (E.G. TURKISH LIRA, AS OPPOSED TO DEUTSCHEMARK). NO FORECAST CAN BE MADE AT THIS TIME, HOWEVER, AS TO WHEN SUCH AN AGREEMENT WILL BE REACHED, OR WHAT AMOUNTS MIGHT BE REQUIRED.

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<< END OF DOCUMENT >>

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